

### **REMARKS/ARGUMENTS**

In the Office Action dated July 2, 2003 ("Office Action"), claims 23, 24 and 27-34 were rejected under 35 U.S.C. § 102 as allegedly being anticipated by U.S. Patent No. 6,064,981 to Barni et al. (Barni"). Further, the Office Action rejected claims 1-22, 25-26 and 35-38 as being unpatentable over the combination of U.S. Patent No. 5,794,219 to Brown ("Brown") in view of Barni.

Following entry of the present Response and Amendment, claims 1-31 and 34-40, including independent claims 1, 23 and 35, remain in this application. In the claim amendments requested above, Applicant has cancelled claims 32 and 33, amended claims 1, 2, 20, 23, 31 and 35-38, and added new claims 39 and 40. Various claims have been amended to clarify the subject matter of the present invention, to place the present application in better condition, and to correct minor errors in the claims as discussed below. No new matter was added by these amendments, and written description support is found throughout Applicant's disclosure, including the figures and original claims. Claims 32 and 33 were canceled without prejudice to reduce duplicative claim coverage. New claims 39 and 40 are directed to additional patentable features of the present invention.

The Office Action also objected to the specification on the grounds that the Abstract did not conform to Patent Office guidelines as expressed by MPEP § 608.01(b). Applicant has also herein amended the Abstract as requested by the Office Action.

Applicant believes that the present Amendment adds no new subject matter and respectfully requests the entering of this Amendment, and reconsideration and allowance of all claims in conjunction therewith.

### **Objections to the Specification**

The Office Action objected to Applicant's specification, citing MPEP § 608.01(b), on the grounds that the Abstract submitted with the original specification exceeded 150 words. As indicated above, replacement sheet containing an amended abstract is attached to the end of this Amendment. This amended abstract conforms to the 150-word limit imposed by the MPEP, and

entry of this amended abstract is requested.

No new matter has been added by this amendment to the specification.

#### Claim Rejections

Each of the grounds for claim rejections is now addressed below.

#### 35 U.S.C. § 102

The Office Action rejected claims 23, 24 and 27-34 under 35 U.S.C. § 102(b) as being anticipated by Barni. Specifically, the Office Action alleges that the claimed invention is anticipated by Barni because Barni allegedly discloses an electronic exchange that enables buyers to schedule desired services according to transaction catalogs, and provides buyers with the ability to place bids on transportation capacity in seller's auctions and the ability to conduct buyer's auctions in which sellers can place bids on services desired by the buyers. Insofar as this ground for rejection applies to the claims as presently amended, Applicant respectfully traverses.

As explained in Applicant's specification, various embodiments of the present invention address, *inter alia*, the failing that "currently available centralized electronic market solutions have not allowed carriers and shipping customers to adequately exploit established business relationships in a manner similar to what occurs in traditional real-life market situations." Applicant's Specification, page 6, lines 1-4. In fact, Barni is specifically mentioned in the background of the invention portion of Applicant's specification as being one example of the electronic systems that suffer from this failing. See Applicant's Specification, page 5, line 17 through page 6, line 4. A careful reading of Barni will reveal that it does not mention or otherwise address this failing, and, as will be made clear by the balance of Applicant's remarks, and similarly does not disclose or teach the various embodiments of Applicant's invention as is claimed.

Taking independent claim 1 first, Applicant has claimed an electronic market for negotiating transactions regarding the exchange of transportation services between buyers and sellers. The electronic market includes an auction transaction system and a catalog transaction system in electronic communication with one another, and means for said buyers and sellers to communicate with said auction transaction system and said catalog transaction system. The

means for communicating is adapted to enable buyers and sellers to interact through the catalog transaction system and the auction transaction system. Further, the market enables buyers and sellers to designate selected other buyers and sellers as preferred trading partners within the auction transaction system or catalog transaction system. Using the designation of these preferred trading partners, the market optionally allows particular quoted rates and particular auctions to be made available to only said preferred trading partners.

Independent claim 23 recites a method for negotiating transactions regarding the exchange of transportation services between buyers and sellers that comprise a market place. The method comprises establishing an electronic exchange network enabling buyers at their option to schedule desired services according to transaction catalogs published by said sellers, to place bids on transportation capacity being auctioned by sellers in seller's auctions, or to conduct a buyer's auction enabling sellers to place bids on rights to perform said desired services of said buyers. The method also includes having at least some buyers or sellers designate selected other buyers and/or sellers as preferred trading partners with regard to one or more of the transaction catalogs, auctioned capacity, and auctioned rights to perform services. As recited in claim 23, the designated preferred trading partners are given preferential access over buyers or sellers not designated as preferred trading partners in the electronic exchange network to certain discounted shipping rates or certain auctions.

Finally, independent claim 35 recites a method for conducting a multiple level non-public auction in a transportation services market among a plurality of buyers and a plurality of sellers, which comprises establishing the format of the auction as having multiple levels of non-public auction where the levels are arranged from a first level to a last level, and defining auction parameters detailing a form of acceptable bids and an identification of a transportation service or capacity being auctioned. The auction parameters also include the designation of certain buyers or sellers as preferred trading partners for one or more levels of said multiple level non-public auction wherein only those buyers or sellers designated as preferred trading partners may bid in any one level of said multiple level non-public auction. Starting at the first level and then for each level of said multiple level non-public auction, the method includes publishing notice to buyers and/or sellers designated as preferred trading partners, receiving bids from designated preferred trading partners and monitoring the received bids for a winning bid. The method

proceeds to a next level of the non-public auction, if available, if an instruction is received indicating no winning bidder has been identified from the received and monitored bids.

Barni, however, discloses an Internet based system that allows multiple carriers and multiple shipping customers to exchange shipping information electronically. The Barni system allows carriers to post rates via an Internet web site and provides a mechanism whereby customers can either place secure orders based upon on those posted rates or can place bids in a online auction environment. Contrary to the contention of the Office Action, Barni does not disclose the use or concept of preferred trading partners. At column 7, lines 46-54, as cited by the Office Action, Barni states that “[p]referably, only registered customers or subscribers are permitted to engage in accepting posted seller bids.” This is describing the fact that, in Barni’s system, users of the auction and/or other features of the system would have to be registered with the system (i.e., have previously created an account, login, and or password). This is NOT the same as an auctioning party designating a subset of preferred trading partners from the available universe of registered buyers/sellers to whom access to an auction will be granted. Further, specifically with regard to claims 1-22 and 23-34, neither the cited portion nor the remainder of Barni disclose the concept of making particular quoted rates and/or particular auctions available to only designated preferred trading partners. Thus, Barni in no way can be characterized as disclosing preferred trading partners as is recited in all present claims, as one of ordinary skill in the art will readily appreciate after reviewing Applicant’s disclosure. *See, e.g.*, Applicant’s specification, page 8 ¶ 2 through page 11 ¶ 1.

With regard specifically to independent claim 35 and the claims dependent therefrom, it is similarly clear that Barni does not disclose, teach or suggest a method for conducting a multiple level non-public auction in a transportation services market among a plurality of buyers and a plurality of sellers where certain buyers or sellers are designated as preferred trading partners for one or more levels of said multiple level non-public auction such that only those buyers or sellers designated as preferred trading partners may bid in any particular level of the multiple level non-public auction.

Thus, Applicant respectfully submits that Barni does not disclose, teach, or otherwise suggest the present invention as recited in independent claims 1, 23 and 35. Therefore, this ground for rejection has been overcome, and that all claims should now be allowed over Barni

for these reasons alone.

Although claims 2-22, 24-31, 34, and 36-39 are allowable over Barni in light of the above arguments, Applicant requests independent reconsideration of the dependent claims as it is submitted that they recite various additional distinguishing features with regard to the prior art. For example, claims 2-4 and 21-22 describe an execution system that, for example, generates purchase orders for catalog transactions, generates automated tender offer for auction transactions, and allows electronic integration with billing and message systems of buyers and sellers. Also, as recited in claims 10-13, the electronic market's auction transaction system can be adapted to perform, for example, private auctions for preferred trading partners, multiple level private auctions for various levels of preferred trading partners (which is also described in independent claim 35 and all claims dependent therefrom), and private auctions that can ultimately be opened up as a public auction for all members of the market. Similar private and non-public auction features are recited in method claims 24-26. Claim 20 describes that the execution allows buyers to download relevant catalog rates electronically for use in their private networks (such as, for example, use in a private transportation planning and optimization system).

Independent reconsideration of the applicability of Barni to all claims in the present application in light of the above remarks is respectfully requested.

35 U.S.C. § 103

The Office action further rejected claims 1-22, 25-26 and 35-38 under 35 U.S.C. § 103 as being obvious and unpatentable over Brown in view of Barni. Insofar as this rejection applies to the claims as presently amended, Applicant respectfully traverses.

The Office Action states that Barni "does not disclose a system wherein buyers and sellers are capable of designating selected other buyers and sellers as preferred trading partners," but contends that Brown "teaches an auction system wherein the buyers and sellers are capable of designating selected other buyers and sellers as preferred trading partners (register bidding groups, Brown, col. 6, lines 53-64)." The Office Action thereafter concludes that it would have been obvious to one of ordinary skill in the art to have modified Barni to include the ability to designate trading partners as allegedly taught in Brown to produce Applicant's claimed

invention.

First, Applicant notes that the shortcomings of the Barni reference with respect to the various embodiments of the claimed invention has been discussed in detail above. To the extent that the Office Action's contentions and admissions regarding what Barni does or does not disclose or teach conflicts with the above remarks regarding the § 102(b) rejections, Applicant traverses all rejections under § 103 for the same reasons.

Second, Applicant submits that one of ordinary skill in the art would not consider "bidding groups" as disclosed in Brown to be the same as or equivalent to preferred trading partners as recited in several of Applicant's claims. Brown does not concern or otherwise disclose private auctions or multi-level private auctions. Thus, Brown cannot be characterized as disclosing auctions where bidding is restricted to preferred trading partners where the trading partners are designated by the entity initiating the auction. Similarly, Brown does not disclose an electronic catalog system where quoted catalog rates can be varied (e.g., discounted) for any number of preferred trading partners. Conversely, the title of Brown most clearly summarizes what that patent discloses, namely a "method of conducting an on-line auction with bid pooling."

In contrast to Applicant's claimed invention, Brown discloses an electronic auctioning system having a feature allowing the pooling of bids. In the Brown system, initially a number of buyers register for a given auction of a particular item (such as by submitting identification information and financial/payment information). The system then sets up several bidding groups for the auction of that particular item. As specifically described in Brown, "[b]idding groups can be associations, institutions, museums, or groups formed purely for the purpose of bidding together in order to distribute items by lottery." Brown, col. 3, lines 56-59. During the auction, each buyer is allowed to submit a bid, consisting of an amount and a designation of any one of the established bidder groups, for the item. *See* Brown, col. 7, lines 46-59. At the end of the auction, all the bid amounts for each bidding group are added together into a pooled bid, and the auctioned item is awarded to the bidding group with the highest total pooled bid. *See* Brown Col. 8, lines 35-41. Each buyer who placed a bid in the winning bidding group is charged the amount of their individual bid, and the ultimate winner of the auctioned item is selected from the buyers in that winning bidding group. *See* Brown, col. 8, lines 52-55; col. 9, lines 16-18 ("The

winning group then holds a lottery to determine which one of the contributing bidders gets to keep the item.”).

After reading the disclosure of Brown, one of ordinary skill in the art would clearly not consider Brown to have anything to do with preferred trading partners, never mind how such preferred trading partners can be utilized within electronic markets that utilize private auctions or catalog rate quotes. The bidding groups of Brown, pertaining to associations set up by the bidders and not the auctioning or catalog-posting party, clearly are different from and cannot be considered in any way to comprise “preferred trading partners” as disclosed and claimed by Applicant. As such, Brown’s disclosure cannot be considered to suggest or otherwise provide a motivation for the modification of Barni or any other market or auction system to include such aspects.

As Barni alone does not disclose, teach, or suggest all features of the present invention, as discussed above, and as Brown does not remedy the deficiencies of Barni, Applicant respectfully requests removal of all rejections based upon the combination of Barni and Brown.

Application No. 10/942,774  
Amendment dated September 26, 2003  
Reply to Office Action of July 2, 2003

Conclusion

In view of the foregoing, the Applicant respectfully requests that the Examiner enter the above-noted amendments before the merits of the application are reconsidered in light of the preceding remarks. Timely allowance of all pending claims and the issuance of a Notice of Allowance are requested.

Applicant believes that there are no fees due at this time for extensions of time or additional claims. If, however, there are any fees due in connection with the filing of this Response and Amendment, including any fees for extensions of time or additional claims, please charge the fees to our Deposit Account No. 50-1349.

The Examiner is invited to contact Applicants' undersigned representative via telephone if such would expedite prosecution of this application toward allowance.

Respectfully submitted,

Dated: September 26, 2003

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